

September 24, 2007

Date

RESOLUTION APPROVING URBAN RENEWAL AGREEMENT FOR SALE OF LAND FOR PRIVATE DEVELOPMENT TO NELSON DEVELOPMENT 15, L.L.C. TO DEVELOP DISPOSITION PARCEL NO. 02-3 IN METRO CENTER URBAN RENEWAL PROJECT

WHEREAS, on March 30, 2000 by Roll Call Nos. 00-788 and 00-789, the City Council of the City of Des Moines approved the Urban Renewal Plan for the Metro Center Urban Renewal Project (hereinafter referred to as "Plan"); and

WHEREAS, on June 17, 2002, by Roll Call No. 02-1596, the City Council adopted the Sixth Amendment to the Plan to designate properties within the 200-400 blocks of East Grand Avenue and East Locust Street for acquisition and disposition and to encourage redevelopment of such properties, including Disposition Parcel 02-3 located at 230 East Grand Avenue; and

WHEREAS, Nelson Development 15, L.L.C., an Iowa limited liability company, ("Developer") has presented to the City a developer-initiated proposal ("Proposal") to purchase and redevelop Disposition Parcel 02-3 ("Property"), which Proposal is on file in the Office of the City Clerk; and

WHEREAS, the Proposal and the Urban Renewal Agreement for Sale of Land for Private Redevelopment ("Development Agreement") incorporated therein, executed by the Developer, proposes that Developer take title to the Property for construction of a five-floor mixed-use building containing at least seventy-five (75) residential units and at least 12,200 square feet of area devoted for retail or restaurant uses; and

WHEREAS, by Roll Call No. 07-1555, dated August 6, 2007, the City Council accepted the proposal and authorized publication of notice of intent to enter into the Development Agreement at public hearing if no competing proposals were received by the City by September 10, 2007; and

WHEREAS, the public notice was published in the Des Moines Register on August 9, 2007; and

WHEREAS, the City received no competing proposals for the purchase and development of the Property; and

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WHEREAS, the development of the Property, according to the terms and conditions of the Development Agreement, furthers the objectives of the Plan to preserve and create an environment which will protect the health, safety and general welfare of City residents and maintain taxable values within the Urban Renewal Project area, to encourage the development of affordable housing in decent, safe and sanitary conditions in attractive settings to serve employees and other people who would like to live in the downtown area, to provide a variety of locations to serve the different housing markets within the Urban Renewal Project area, to encourage intensive and coordinated the mixed-use development of commercial, residential and parking improvements, to provide for the orderly expansion of downtown Des Moines as a retail, financial and business center of the metropolitan area, and to encourage the coordinated development of parcels and structures to achieve efficient building design and provision of adequate parking; and

WHEREAS, the economic development incentives for the development to be provided by the City to Developer pursuant to the Urban Renewal Law and Chapter 15A of the Code of Iowa and Developer's obligations under the Development Agreement to construct the development will generate the following public gains and benefits: (i) the development will advance the improvement and redevelopment of the East Village area in accordance with the Plan; (ii) the development will provide affordable housing in decent, safe and sanitary conditions in attractive settings to serve employees and other people who would like to live in the downtown area; (iii) the development will encourage further private investment and will attract and retain residents and businesses in the Urban Renewal Project area to reverse the pattern of disinvestment and declining resident population; and, (iv) the development will further the City's efforts to create and retain job opportunities within the Urban Renewal Project area which might otherwise be lost; and,

WHEREAS, the construction of the development is a speculative venture and the public gains and benefits from the construction and resulting housing, commercial space, parking and development opportunities would not occur without the economic incentives provided under the terms and conditions of the Development Agreement and the public gains and benefits are warranted in comparison to the amount of economic incentives; and,

WHEREAS, City believes that the proposed development of the Property pursuant to the Proposal and Development Agreement, and the approval of and fulfillment generally of the terms and conditions of the Development Agreement, are in the vital and best interests of City and the health, safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of the applicable state and local laws and requirements under which the project has been undertaken, and warrant the provision of the \$1,224,000 economic development grant assistance set forth in the Development Agreement.

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WHEREAS, the City Council has determined that the purchase price of \$638,000 for the Property meets the fair market value thereof for uses in accordance with the Plan taking into account the restrictions upon the Property and the covenants, conditions and obligations assumed by the Developer for construction of a six-story mixed-use building containing at least seventy-five (75) residential units and at least 12,200 square feet of area devoted for retail or restaurant uses in accordance with the terms of the Development Agreement; and

WHEREAS, in accordance with the published notice, those interested in the Proposal and the sale of the Property to Developer in accordance with the terms and conditions of the Development Agreement, have been given an opportunity to be heard with respect thereto and have presented their views to the City Council; and

WHEREAS, this Council believes the acceptance of the Proposal and sale of the Property to Developer according to the terms and conditions set out in the Development Agreement are in the best interests of the City of Des Moines, Iowa, and in furtherance of the purposes of Iowa Code Chapter 403.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that:

1. Upon due consideration of the facts and statements of interested persons, the hearing is hereby closed and it is determined the Urban Renewal Agreement for Sale of Land for Private Development between the City of Des Moines and Nelson Development 15, L.L.C. for the sale and development of the Property and the provision of economic development grant assistance is in the public interest of the citizens of the City of Des Moines and in furtherance of the Plan, and is hereby approved.
2. The Mayor is authorized and directed to execute the Development Agreement on behalf of the City and the City Clerk is authorized and directed to attest to said signature and to affix the seal of the City.
3. The City Clerk is hereby authorized and directed to submit the Development Agreement to the County Recorder of Polk County, Iowa, for filing and recording in the manner provided by law.

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4. The City Manager or his designees are hereby directed to administer the terms of the Development Agreement on behalf of the City; monitor compliance by Developer with terms of the Development Agreement; review the Developer commitments for adequate financing to complete construction of the Improvements; review the conceptual development plan and make appropriate recommendations to the City Council prior to conveyance of the Property.

5. Upon determination by the City Manager and Legal Department that Developer has satisfied the conditions for payment of economic development grant installments set forth in the Development Agreement, the Finance Director is authorized to pay said installments to Developer on the dates set forth in the Development Agreement.

(Council Letter No. 07- 572 Attached)

Moved by _____ to adopt.

APPROVED AS TO FORM:



 Lawrence R. McDowell
 Deputy City Attorney

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COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
HENSLEY				
KIERNAN				
MAHAFFEY				
MEYER				
VLASSIS				
TOTAL				

MOTION CARRIED

APPROVED

.....
 Mayor

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

 City Clerk